



U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: **ACTION:** Government Contractor-Issued Travel
Charge Card Program/FedTrip/TEServ

Date: **JUL 10 2002**

From: Assistant Administrator for Financial Services and
Chief Financial Officer

Reply to
Attn. of:

To: Management Board
Regional and Center Directors

The FAA needs to reduce travel card delinquencies, which have reached an unacceptable level. ABA is also taking several steps to speed processing of travel card transactions. We need your help in reducing these delinquencies. We also want you to encourage your staffs to use the new automated processes, described below.

Travel Card Delinquencies

DOT is the third most delinquent agency, government-wide, for travel card accounts. For the month ending May 15, 2002, there was \$762,324 more than 60 days past due in FAA travel accounts. Citibank, our travel card provider, has charged off \$1,523,129 for FAA cardholders since the beginning of the contract. This is not acceptable to either Citibank or to the Department.

Because of this problem, the Department is issuing major policy changes to the travel charge card program (see attached memorandum). We will implement the following actions as soon as they are negotiated with the unions:

- Deactivate cards with no activity in the past 18 months. Cards can be easily reactivated.
- Obtain supervisory approval for card issuance.
- Establish additional targeted blocks on merchant category codes unrelated to business travel.
- Require supervisory approval for credit limits beyond \$7,500.
- Distribute monthly delinquency reports to coordinators and require their review of employees in pre-suspension or canceled status and notify supervisors for appropriate disciplinary action.
- Collect overdue amounts on canceled cards through the payroll process.
- Provide training to employees on the proper use of the card.

Please tell your staff of these impending changes and ask them to liquidate any overdue accounts immediately. They should know the new policy could lead to disciplinary action as severe as removal if they do not repay or resolve their debts.

Automate Travel Card Accounting

Currently, travel card transactions are manual, paper-based processes. Our goal is to automate the travel accounting process from authorization through payment of vouchers. We are making three major improvements to achieve this. We need you to encourage your staffs to use these new abilities.

1. Using FedTrip

FedTrip is a web-based travel reservation system that allows travelers and travel planners to book their own air, car and hotel reservations. It will be available 24/7. Each headquarters FedTrip transaction costs \$21, compared to the \$45 cost of using the headquarters Travel Management Center. Costs for regional travel center contractors vary, but all exceed the comparable regional cost of FedTrip.

Our goal is to book 60 percent of headquarters travel through FedTrip by year-end. Currently we are at 11 percent. ABA will work with each line of business to schedule training and a date when use of FedTrip will become mandatory. We are negotiating this issue with the unions.

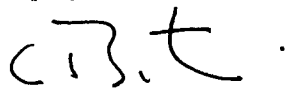
2. Implementing TEServ

Currently, FAA uses Travel Manager to process travel vouchers. TEServ is a web-based version of Travel Manager currently being phased in by the Tech Center. It will also be available 24/7. Eventually, FedTrip and TEServ will be linked to the new accounting system. Connecting all three systems electronically will streamline the travel process.

3. Direct Deposit of Travel Voucher Payments

Most staff know they can have their pay deposited directly in their bank accounts, but many do not know they can have travel voucher payments deposited directly. Direct deposit of vouchers saves the government money and speeds payment to the traveler. The servicing accounting office for each office has forms to set up direct deposit of travel vouchers.

These steps will improve our financial management, reduce transaction costs, and reimburse employees more quickly and efficiently.



Chris Bertram

Attachment



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Assistant Secretary
for Budget and Programs
and Chief Financial Officer

400 Seventh St., S.W.
Washington, D.C. 20590

March 26, 2002

MEMORANDUM TO: Chief Financial Officers
Financial Management Committee Members

FROM: *Phyllis Scheinberg*
for Donna McLean

SUBJECT: Travel Card Policy

As required by the Federal Travel Regulations and PL 105-264, U. S. Department of Transportation (DOT) employees must obtain and use a contractor-issued travel charge card to pay for all travel-related expenses. It is Departmental policy that employees are reimbursed for travel expenses within 30 working days of submitting an acceptable voucher and that employees are held accountable for paying the government issued charge card in accordance with the terms and conditions outlined in the *Cardholder Agreement*.

Following is a summary of the employee and supervisory responsibilities and guidelines for managing the travel card program within each Operating Administration (OA).

Employee Responsibilities

When employees apply for a contractor-issued credit card, they assume the responsibility to use the card for official purposes and pay the charges in a timely manner. These responsibilities are explained in the *Cardholder Agreement* that each employee signs during the application process.

It should be noted that in those rare instances where employees are not reimbursed within 30 calendar days, employees are not relieved of their obligation to pay the charge card bill by the specified due date.

Supervisory and Management Responsibilities

Agency/Organization Program Coordinators (AOPCs) are responsible for monitoring the monthly delinquency reports provided by the contractor for employees who are in a pre-suspension status. These reports should be passed along to supervisors for appropriate action, including counseling concerning adverse performance rating implications, salary offset, disciplinary action (up to and including termination), etc. In addition, AOPCs should regularly utilize their access to online reporting capabilities provided by the contractor to keep abreast of delinquency trends and to notify appropriate managers of emerging problems.

As noted above, agencies may pursue salary offset as a tool to collect delinquent accounts. Each OA wishing to establish a salary offset program should coordinate with the Office of the Secretary of Transportation's Office of Financial Management.

Agencies shall establish appropriate procedures to ensure their employees are aware of the consequences for not managing their travel card in accordance with the terms and conditions of the *Cardholder Agreement*.

Agency Reimbursement Responsibility

The *Travel and Transportation Reform Act of 1998* requires that agencies reimburse employees within 30 calendar days after employees submit a proper voucher to their approving officials.

Contractor Responsibility

The contractor will notify employees who have failed to make payment of undisputed amounts within 45 calendar days from the closing date on the statement of account. At 55 days past the closing date of the account, a second notice will be sent to the cardholder. This notice constitutes a pre-suspension notice that their card privileges are about to be suspended. At this point, the contractor may begin card suspension procedures. If employees do not clear up their accounts during the suspension period, the contractor may initiate pre-cancellation procedures. If employees continue to be delinquent in their payments, the contractor may cancel their card privileges, notify credit bureaus that the employee has had their card cancelled, and start collection actions.

Guidelines for Travel by Employees without Travel Card Privileges

Employees who have lost their charge card privileges and need to perform official travel must apply for a waiver from the requirement to use a contractor issued travel charge card in order to be reimbursed for official travel expenses. This application must be requested on a trip-by-trip basis and be endorsed by the employee's second-level supervisor and approved by the agency finance office.

Waiver Procedures

The waiver application must include (1) a description of the circumstances leading to the card suspension/cancellation and (2) a detailed plan for clearing up the outstanding delinquencies within six months from the date of suspension/cancellation.

The use of the centrally billed account results in significant administrative costs to the agency. Therefore, the waiver process may only be requested for travel occurring within six months from the date of the card suspension. Employees who have been granted a waiver from the requirement to use an individual travel charge card may be authorized to use the centrally billed account, but only to pay for common carrier expenses. All other travel related costs must be paid by the employee using a personal charge card or cash. Travel advances may not be approved for individuals traveling under a waiver.

It should be noted that the employee who has eliminated all debt to the card contractor, may file an appeal with the contractor for reinstatement of card privileges. The appeal must be filed through the AOPC and be endorsed by the individual's supervisor.

In the event a waiver is not granted because of the six-month time limit or at the discretion of the supervisor, finance office or other agency official an employee may not be able to travel. Employees unable to travel may be incapable of performing required job duties. In those cases, appropriate personnel sanctions may be initiated, including possible termination of employment. The Departmental Office of Human Resource Management is responsible for promulgating Departmental policies regarding employee performance. Specific provisions concerning performance-based actions may vary between OAs and individual collective bargaining agreements.

United States Coast Guard (USCG) Military Personnel

The USCG is directed to issue policy that is consistent with this document to ensure prompt payment of military personnel.

cc: Personnel Management Council Members